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No. 08-90

SUPREME COURT, U.S.
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In the Supreme Court of the United States

BAYER BIOSCIENCE N.V.,
Petitioner,

v.

MONSANTO COMPANY,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENT'S OPPOSITION

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QUESTIONS PRESENTED

1. Where 35 U.S.C. § 285 provides that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party," are attorney's fees properly awarded in a patent case to a party that prevails on its declaratory judgment claims that an asserted patent is invalid and not infringed, and proves that all four patents originally asserted against that party were procured by inequitable conduct, even though the patentee dismissed three of those patents after four years of litigation?

2. Whether a federal court can enter judgment that a patent is unenforceable after deciding after a full trial that such patent was obtained from the Patent Office as the result of the patent owner's culpable inequitable conduct?

3. May a party appealing from a judgment that holds four of its patents are unenforceable selectively challenge the merits of the underlying inequitable conduct determinations only as to one patent and defer its challenge to the inequitable conduct determinations on the other three patents until its subsequent appeal from the resulting attorney's fees award under 35 U.S.C. § 285 based on all such inequitable conduct?

4. Where an appellate court determines that one of many factual findings by a district court is clearly erroneous but that such finding is not material to the district court's ultimate conclusion being reviewed, can and should the appellate court affirm the judgment without remand?

PARTIES TO THE PROCEEDING

Pursuant to Supreme Court Rule 14.1(b), respondent states that all parties to the proceeding in the court of appeals appear in the caption of the case on the cover page.

RULE 29.6 STATEMENT

Respondent states that it has no publicly-owned parent companies and there are no publicly-held companies that own 10% or more of respondent's stock.

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BAYER BIOSCIENCE N.V.,
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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENT'S OPPOSITION

Respondent Monsanto Company ("Monsanto") respectfully requests that the petition for a writ of certiorari to the United States Court of Appeals for the Federal Circuit filed by Bayer BioScience N.V. ("Bayer") be denied.[1]

[1] As used herein, "Bayer" refers to petitioner and to its predecessor-in-interest, Plant Genetic Systems, Inc. See App. 66a nn.2-3.

OPINIONS BELOW

The Federal Circuit's opinion in Appeal No. 2007-1109 (App. 5a-36a) is reported at 514 F.3d 1229 (Fed. Cir. 2008). The order denying petitioner's petition for rehearing and rehearing *en banc* in Appeal No. 2007-1109 is unreported. App. 228a-229a. The Federal Circuit's opinion in Appeal No. 2007-1299 (App. 1a-4a) is unreported. No petition for rehearing was filed in Appeal No. 2007-1299.

The district court's opinion providing its detailed findings demonstrating Bayer's inequitable conduct on its four patents is unreported. App. 65a-208a. The district court's judgment is at App. 63a-64a. The district court's opinion finding this case "exceptional" under 35 U.S.C. § 285 and awarding attorney's fees and costs to Monsanto as the prevailing party is unreported. App. 38a-62a. The district court's judgment awarding $8,514,062.10 in attorney's fees and costs to Monsanto is at App. 37a.

JURISDICTION

The judgment of the court of appeals in Appeal No. 2007-1099 was entered on January 25, 2008. App. 5a. A combined petition for rehearing and rehearing en banc was denied on April 17, 2008. App. 228a-229a. The judgment of the court of appeals in Appeal No. 2007-1299 was entered on April 23, 2008. App. 1a-4a. On July 16, 2008, Bayer filed a single petition for a writ of certiorari to review both decisions. Monsanto was granted an extension to file its opposition to and including October 27,

2008. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 285 provides, in its entirety: "The court in exceptional cases may award reasonable attorney fees to the prevailing party." See *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448, 1460 (Fed. Cir. 1998); *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1380 (Fed. Cir. 2001) (a party may prove an exceptional case by showing inequitable conduct before the PTO). "The concept of inequitable conduct in patent procurement derives from the equitable doctrine of unclean hands: that a person who obtains a patent by intentionally misleading the PTO can not enforce the patent." *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1394 (Fed. Cir. 1988); see *Precision Instrument Mfg. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806, 814-16, 819 (1945); *Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240, 244-47 (1933).

As such, inequitable conduct is a judicially-created doctrine under which a patent becomes unenforceable once it is proven by clear and convincing evidence that the applicant knowingly violated its duty of candor by withholding information material to patentability with an intent to deceive the PTO into issuing the patent. See *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1178, 1180-81 (Fed. Cir. 1995); *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 877 (Fed. Cir. 1988). The starting point for determining "materiality" in an inequitable conduct inquiry is 37

C.F.R. § 1.56 ("Rule 56"); see *Critikon, Inc. v. Becton Dickinson Vascular Access., Inc.*, 120 F.3d 1253, 1257 (Fed. Cir. 1997). Rule 56 contains the PTO's criterion for information material to patentability, as utilized by the Federal Circuit. See App. 21a (citing *Digital Control Inc. v. Charles Mach. Works*, 437 F.3d 1309, 1214 (Fed. Cir. 2006)).

STATEMENT OF THE CASE

A. Bayer's Asserted Patents

In May 2000, Bayer filed a lawsuit against various Monsanto licensees in North Carolina, alleging that their sales of Monsanto's MON810 insect-resistant corn infringed four Bayer patents.[2] In response, Monsanto sued Bayer in Missouri in December 2000 seeking declaratory judgments that Bayer's patents were unenforceable and invalid and that MON810 corn did not infringe. As the district court found, the resulting litigation exposed Bayer's multiple acts of misconduct before the PTO, including knowingly submitting a false declaration, failing to submit known negative test results, and concealing information known to be contrary to Bayer's arguments for patentability. Such culpable conduct was undertaken to obtain undeserved and overbroad patents which were later asserted by Bayer in an attempt to dominate this nation's insect-resistant corn market.

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[2] *Aventis CropScience N.V. v. Pioneer Hi-Bred Int'l, Inc.*, No. 1:00cv463 (M.D.N.C.). That case has been stayed pending the outcome of this case.

Bayer's patents purport to claim the use of any truncated gene from the bacteria, *Bacillus thuringiensis* ("Bt"), to confer resistance to any insect in any plant species into which such genes are inserted and expressed. As in the courts below, Bayer's patents are referenced herein as the '799, '372, '546, and '565 patents.

Bayer's patents are related and share a common specification. The '565, '372, and '546 patents stem from divisional applications of a 1986 application resulting in the '799 patent. *See* 363 F.3d at 1236. The '565 and '372 patents each contain claims to particular chimeric Bt genes and the '799, '372 and '546 patents contain claims to plants transformed with such genes. The specification contains examples showing only one specific native truncated Bt2 gene that expressed only in tobacco plants. Despite these limited results, Bayer sought broad claims covering any plant species transformed with any truncated Bt gene. Such claims were repeatedly rejected by the PTO for lack of enablement under 35 U.S.C. § 112.

Each time, the PTO examiner held that the unpredictability of the field and the limited guidance in the specification would require undue experimentation to practice the invention as so broadly claimed. In rejecting Bayer's claims in 1991 for the third time, the examiner correctly explained that "there is reason to believe that gene expression will vary as a function of the specific plant species." After five years of fruitless prosecution, Bayer recognized that "we are back to square 1 ... [the] Examiner urges us to limit our claims to the Bt2

gene and tobacco." App. 199a. Three months later, Bayer's chief entomologist, Mr. Stefan Jansens, signed his 1991 PTO Declaration with the intention of persuading the examiner to issue broad claims not limited to the Bt2 gene or tobacco plants.

B. Jansens' False 1991 PTO Declaration

Jansens' 1991 PTO Declaration was submitted to support a scope of enablement that would allow Bayer to obtain claims encompassing all truncated Bt genes in all plants. Jansens admittedly selected data for his declaration that disclosed only positive results showing high insect mortality from his tests conducted on tobacco, tomato, and potato plants. However, Bayer and Jansens had also obtained extensive unsuccessful results in cotton and cabbage which were not submitted to the PTO.

As the district court found, "[i]t is unrefuted, that at the highest levels, and all levels of [Bayer], negative tests in Bt cotton, cabbage, and corn plants was the norm, not the exception." App. 66a. The court also found that "[i]n repeated instances, Mr. Jansens tested cabbages, cotton and corn and received negative test results for expression of Bt toxin." App. 121a.

Nevertheless, Jansens' 1991 PTO Declaration declared unequivocally "that generally any truncated *Bacillus thuringiensis* ("Bt") gene could be expressed in generally any plant to provide an insect controlling amount of its encoded Bt polypeptide toxin in the so-transformed plant as disclosed in this

application" and referenced "the following tests [that] were carried out under my supervision." App. 112a. Based on selected test results from only tobacco, tomato and potato, Jansens attested:

> The test results shown in appended Figs. 1-11 demonstrate that any truncated Bt gene can generally be used to provide an insect controlling amount of the encoded Bt polypeptide toxin in generally any plant transformed with the Bt gene.

App. 112a. Based on Jansens' declaration, Bayer argued to the PTO that "no documentary evidence of record ... [indicates] that applicants' claimed invention should be limited to particular marker genes, Bt genes, plants or insects. Indeed, all the evidence is to the contrary."

Despite Jansens' knowledge of Bayer's extensive unsuccessful results in cotton and cabbage which were not submitted, his 1991 PTO Declaration swore "I know of no test results which are contrary to or inconsistent with the test results set forth above ... or which would lead to different conclusions from those expressed above." App. 112a. As the district court found, those sworn statements to the PTO were knowingly false. App. 120a. Nevertheless, after Jansens' declaration was submitted, the Examiner issued the '799 patent on October 19, 1993. The related '372, '546, and '565 patents were issued thereafter.

C. The 2002 Summary Judgment And First Appeal To The Federal Circuit

In 2002, Monsanto moved for summary judgment that Bayer's patents were unenforceable for inequitable conduct because Jansens' 1991 PTO Declaration falsely reported that the specification broadly enabled using *any* Bt gene for expression in *any* plant while concealing known contrary test data. Bayer's opposition relied on a new Jansens declaration prepared in 2002 for this litigation that purported to explain why he omitted the known negative results for cotton and cabbage from his 1991 PTO Declaration. Ruling as a matter of law that the omitted test results were plainly material and that the false declaration was intended to deceive the PTO, the district court granted Monsanto's motion.

Bayer appealed and the Federal Circuit vacated the inequitable conduct summary judgment ruling, holding that Jansens' 2002 Declaration created material factual disputes. *Monsanto Co. v. Bayer Bioscience N.V.*, 363 F.3d 1235, 1239-42 (Fed. Cir. 2004). This is what Bayer's petition describes as "obtaining a favorable judgment from the Federal Circuit." Pet. 5. However, Bayer presumably sensed that the district court had discerned that Jansens' excuses lacked any veracity or plausibility, so Bayer's "favorable judgment" only postponed its day of reckoning.

On remand, after four years of litigating all four patents, Bayer immediately gave Monsanto a Statement of Non-Liability on the '799, '372, and '546

patents and the parties dismissed their claims on those three patents. App. 10a. As a result, the '565 patent became the sole basis for Bayer's infringement allegations. *Id.* However, Bayer could not so easily hide Jansens' 1991 false PTO Declaration because Monsanto's § 285 claim was based on Bayer's inequitable conduct in obtaining the originally asserted patents. For that reason, neither party disputed that the district court had jurisdiction to resolve all of Monsanto's inequitable conduct allegations.

After the remand, Bayer obtained partial summary judgment that the inequitable conduct based on Jansens' false 1991 PTO Declaration did not extend to the '565 patent under an "infectious unenforceability" theory. A209a-227a. Monsanto therefore proved that Bayer committed inequitable conduct affecting the '565 patent based on entirely different acts than those related to the false Jansens 1991 PTO Declaration. See App. 203a.

D. Bayer's Separate Inequitable Conduct Affecting The '565 Patent

In the application for the '565 patent, Bayer sought claims to specific chimeric genes encoding Bt proteins with lengths of 60-80 kiloDaltons ("kD"). In 1994, those claims were rejected for lack of enablement and as obvious under 35 U.S.C. § 103 in light of cited prior art including the Barnes Abstract. App. 14a-15a. The examiner viewed the Barnes Abstract as "provid[ing] motivation to genetically

engineer plant cells with a truncated Bt crystal gene rather than using the full length sequence." *Id.*

To overcome those rejections, Bayer cancelled its broadest claims and argued to the PTO as follows:

> Barnes et al. fails to identify which *Bt.* Toxin gene should be utilized and also fails to show that the fusion gene would work in plants. Also, if the "second half" of the Bt2 gene would be deleted, as Barnes et al. suggests, the remaining part would encode a protein of 576 amino acids, which is not toxic. Moreover, the Barnes et al. reference is not enabled since it is stated therein that the fused gene "may" be inserted into T-DNA and that the plant gene "should" express the insecticide and Kanamycin resistance from the same promoter. But no concrete evidence is provided.

App. 15a-16a. As the district court found, Bayer's arguments to overcome the Barnes Abstract were directly contradicted by Dr. Barnes' poster and presentation from the same scientific conference, of which the Abstract was merely a summary. See App. 16a-18a; 25a-26a; 102a-103a.

Barnes' presentation and poster at the conference were observed by Bayer's Dr. Mariani who took detailed notes of what she saw, as she later "carefully and extensively" explained. A17a-18a; App. 83a-103a; App. 108a-110a. Her detailed notes contradicted Bayer's arguments for patentability over the limited Barnes abstract in numerous

respects. App. 25a-26a. Marini's notes were widely circulated within Bayer, including to Dr. Meulemans, the one responsible for prosecuting the subject patents, and who admittedly had discussed the notes and Barnes' presentation with Dr. Mariani. App. 18a. Meulemans, however, never disclosed Mariani's notes to the PTO, but instead made the foregoing arguments about Barnes' work which were expressly contradicted by the further information of which he had direct personal knowledge and possession.

Bayer separately argued to the PTO that Bayer's invention had solved the unpredictability of expression of Bt genes in plants, which Bayer also knew was false. App. 204a. The district court found that such information was "highly material" because there was a substantial likelihood that the examiner would have considered Bayer's false statement material in deciding whether to allow the application to issue and because such information by itself established a prima facie case of unpatentability. App. 204a-205a. Unaware of Bayer's inequitable conduct on both grounds, the examiner allowed the '565 patent to issue.

E. The District Court Trials And Opinions

The district court first held a three-week jury trial on the various invalidity, non-infringement, and damages issues concerning the '565 patent. Bayer sought over one billion dollars in alleged infringement damages and sought to enjoin all future sales of Monsanto's MON810 products. However, on November 22, 2005, the jury returned

verdicts finding that all asserted '565 patent claims were not infringed and were invalid both for obviousness and for prior invention by Monsanto. App. 40a.

Because inequitable conduct is resolved by the court rather than by the jury (see *Gardco Mfg. Inc. v. Herst Lighting Co.*, 820 F.2d 1209 (Fed. Cir. 1987)), the district court addressed all inequitable conduct issues concerning the '799, '372, '546 and '565 patents in a separate bench trial held between February 21-24, 2006. App. 10a. The district court heard extensive testimony, both live and by video deposition. On August 28, 2006, the district court issued a comprehensive opinion detailing its findings and conclusions that all four Bayer patents had been procured through inequitable conduct. App. 65a-208a.

Upon weighing both parties' evidence, including new evidence produced after remand, the district court held:

> The orchestration of deceit, of purposeful misrepresentation of material fact, of intentional non-disclosure of material information, and submission of false material information with intent to deceive and mislead the [PTO] has been proved by clear and convincing evidence. The weighing of equities of the parties clearly and convincingly warrants a conclusion that Bayer and its antecedent companies committed inequitable conduct before the [PTO] in the prosecution of

> the '799 patent, the '372 patent, the '546 patent, and the '565 patent.

App. 197a. Not surprisingly, the court found that Bayer "knowingly provided false and misleading information to the PTO with the specific intent of deceiving or misleading the PTO to gain broad claims which their research and tests did not support." A59-60.

Among its credibility findings, the district court found that Jansens was "evasive" (App. 120a), "not a truthful witness" (App. 126a), "patently unbelievable" (App. 137a), "not skillful in his attempts to manipulate the truth" (App. 140a), and "not circumscribed by the bounds of truth" (App. 149a). Moreover, the court found that the undisclosed test results were in fact negative, not cumulative, and directly contrary to Bayer's arguments for patentability. Finally, the court found "by clear and convincing evidence that Mr. Jansens knew the statements in his declaration to the PTO examiner were false and misleading and he knowingly made the statements with the specific intent to deceive or mislead the PTO examiner." App. 202a. On that basis, the district court held that the '799, '372, and '546 patents had been procured through culpable inequitable conduct. App. 199a-203a.

On the '565 patent, the district court made extensive credibility findings accepting Dr. Mariani's testimony over Dr. Meulemanns' vague denials of not having known about or understood Mariani's notes. See App. 83a-103a; 108a-110a; 203a-207a. Moreover,

the court found two separate bases for inequitable conduct. First, the court found "by clear and convincing evidence ... that Bayer knew, when [its] representation was made that unpredictability of gene expression had been solved, that the representation was false and misleading, and that it was submitted to the PTO examiner with the specific intent to deceive or mislead the PTO examiner." App. 205a. Second, the court found "by clear and convincing evidence that ... Bayer knew, when the Barnes' notes were not disclosed to the PTO examiner, that Bayer was making a deliberate decision to withhold the highly material reference with the specific intent to deceive or mislead the PTO examiner." App. 207a.

F. The Federal Circuit Decisions

On September 25, 2006, the district court entered final judgment that Monsanto did not infringe any asserted claim of the '565 patent, that the asserted claims are invalid for prior invention and obviousness, and that no damages be awarded. A1. The judgment also declared that all four Bayer patents are unenforceable due to Bayer's inequitable conduct. A1. On October 24, 2006, Bayer appealed to the Federal Circuit (No. 2007-1109).

On April 12, 2007, the district court issued a separate order and judgment finding this case to be exceptional under § 285 and exercising its discretion to award over $8 million in attorney fees and costs to Monsanto. App. 38a-62a; App. 37a. On April 23, 2007, Bayer again appealed to the Federal Circuit (No. 2007-1299).

Bayer's two appeals were briefed separately. Indeed, it was Bayer's decision to defer its briefing on the district court's inequitable conduct conclusions concerning the '799, '372, and '546 patents in the first judgment until the second appeal (No. 2008-1299)—when no other issue was being raised and where the word limits would not be a problem—that now forms a primary basis for its petition. Bayer's appeals were argued two months apart to separate Federal Circuit panels (although two of the judges were the same).

1. Appeal No. 2008-1109

In Appeal No. 2008-1109, Bayer challenged the district court's claim construction, complained that evidence had been improperly admitted, argued that there was not substantial evidence to support the jury's invalidity verdicts on prior invention and obviousness, and asserted that the district court erred in holding the '565 patent unenforceable for inequitable conduct. See App. 11a. On the '799, '372, and '546 patents, Bayer argued only that the district court lacked jurisdiction to find them unenforceable. *Id.*

The Federal Circuit affirmed the district court's holding that the '565 patent is unenforceable for inequitable conduct.[3] App. 11a-32a. After summarizing Bayer's PTO arguments about the

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[3] For that reason, the court of appeals did not address the jury's separate non-infringement verdict and invalidity verdicts. See App. 11a.

Barnes Abstract, the Federal Circuit quoted the district court's analysis of their materiality:

> It is very obvious that the poster notes, if they were disclosed to the patent examiner, which they were not, would stand in sharp contradiction to the Bayer argument before the patent examiner. The poster notes were widely circulated among the Bayer Bt groups. The Court finds from all of the evidence in the case, that Bayer had a duty of candor and good faith to disclose the Mariani notes and intentionally withheld the information from the United State Patent Office examiner in the prosecution of the '565 patent with intention to deceive the PTO examiner.

App. 19a (quoting App. 102a-103a). After summarizing the district court's extensive findings crediting Dr. Mariani's testimony over that of Dr. Meulemanns, the Federal Circuit recognized that the district court's conclusion that Bayer made "a deliberate decision to withhold the known highly material reference with the specific intent to deceive or mislead the PTO examiner" was based on all of the findings stated in district court's opinion. App. 20a.

While the Federal Circuit held that the evidence did not support a finding that the Bt toxin used by Barnes was "identical" to the Bt toxin claimed in the '565 patent, the court of appeals also held that such fact was not necessary to the district court's finding that the undisclosed Mariani notes were highly material to patentability and rejected

Bayer's assertion that such fact had been the "sole basis" for the district court's materiality finding. App. 22a-24a. Applying the standards of PTO Rule 56, the Federal Circuit affirmed the district court's finding that the undisclosed Mariani notes were "highly material" because they directly contradicted Bayer's PTO arguments made in support of patentability. App. 26a-28a. The court of appeals also rejected Bayer's argument that the Mariani notes were "merely cumulative" as both waived and incorrect. App. 28a n.16.

The Federal Circuit also upheld the district court's findings rejecting Meulemanns's after-the-fact attempts to show subjective good faith and to refute the ample evidence showing Bayer's intent to mislead the PTO. App. 29a-31a. Given that Bayer did not challenge the district court's discretionary decision holding that the '565 patent was unenforceable, the Federal Circuit affirmed that conclusion without reaching the district court's separate findings based on Bayer's false assertion that its invention solved the problem of unpredictability of expression of Bt toxin in plants. App. 31a-32a.

Finally, rejecting Bayer's challenge to the district court's jurisdiction to hold the other three patents unenforceable, the Federal Circuit held that "[a] district court has no discretion to decide whether a patent is unenforceable once it enters a finding of inequitable conduct." App. 34a. Instead, it confirmed that "unenforceability . . . follows automatically once a patent is found to have been obtained via inequitable conduct." *Id.* Because

Bayer did not otherwise address the findings establishing that those three patents had been obtained through inequitable conduct, the Federal Circuit affirmed them without addressing their impact on the question of attorney's fees. App. 36a n.18.

2. Appeal No. 2008-1299

In Appeal No. 2008-1299, Bayer challenged the district court's rulings that the '799, 372, and '546 patents had been procured through the inequitable conduct resulting from Jansens' false 1991 PTO Declaration. No other issue was raised. Bayer did not dispute the exceptional case finding under § 285 if the inequitable conduct were affirmed, Bayer did not argue that the district court abused its discretion in awarding Monsanto its attorney fees and costs, and Bayer did not contend that the $8+ million award was itself improper in any respect.

The Federal Circuit recognized that it had rejected Bayer's argument in Appeal No. 2008-1109 that the district court lacked jurisdiction to hold that the '799, '372, and '546 patents were unenforceable. App. 2a (citing App. 32a-36a). The court explained that it had already affirmed the inequitable conduct findings regarding those three patents in Appeal No. 2008-1109. App. 2a (citing App. 36a n.18). Discerning no reason to deviate from the "law of the case" (App. 2a-3a), the Federal Circuit declined to revisit its prior holding and therefore affirmed the district court's award of attorney's fees and costs to Monsanto, given that Bayer offered no reasons for reversing that award. App. 3a.

REASONS FOR DENYING THE PETITION

Bayer's widespread and orchestrated inequitable conduct before the PTO allowed Bayer to obtain four knowingly overbroad patents which it then wrongfully asserted against Monsanto and its licensees. When Monsanto exposed Bayer's culpable conduct during this litigation, Bayer tried to sweep its false 1991 PTO Declaration under the rug by giving a covenant of non-liability on three of the four asserted patents. However, Bayer opted to go to trial on its fourth patent, which was held both not infringed and invalid, and later shown to have been obtained through additional and independent acts of inequitable conduct.

Because of Monsanto's claim for attorney's fees under 35 U.S.C. § 285, the district court retained jurisdiction to decide whether Bayer's patents had been procured through inequitable conduct, whether such inequitable conduct warranted finding this case to be "exceptional" under § 285, and whether to award Monsanto its attorney's fees incurred since 2000 in refuting Bayer's baseless infringement contentions. Now that it has lost on every issue, Bayer has concocted its present petition in hopes of hiding the resulting unenforceability judgment and further delaying having to pay Monsanto's attorney's fees.

There is no merit to any of Bayer's contentions. First, the district court clearly had jurisdiction to decide Monsanto's inequitable conduct allegations in order to resolve Monsanto's claim for attorney's fees under § 285. Second, Monsanto is

clearly a "prevailing party" entitled to attorney's fees where, as here, the case is proven by clear and convincing evidence to be "exceptional" for purposes of the statute. Bayer did not even appeal the "exceptional case" finding or the amount of the attorney's fees awarded. Bayer's current attempts to manufacture a conflict with this Court's attorney's fees decisions in civil rights or similar contexts are factually and legally inapt.

Third, the Federal Circuit correctly held that a conclusion of "unenforceability" does and should follow directly from a district court's holding that a patent was obtained from the PTO as the result of inequitable conduct. Bayer's continued attempts to undo or forestall having that conclusion rendered in a judgment after such findings have been made and affirmed are unsupported as a matter of law or policy. Moreover, this Court should not excuse Bayer from the consequences of its decision to defer challenging three of the district court's four inequitable conduct rulings until a later appeal of a separate judgment for fees in which Bayer knew it would raise no other issues. More importantly, there is no issue of widespread importance presented by the present petition designed merely to further delay the conclusive judgments mandated by the district court's detailed and case-specific findings on Bayer's widespread inequitable conduct.

Finally, Bayer's challenge to the Federal Circuit's decision to affirm the district court's inequitable conduct holding on the '565 patent is nothing more than a factual quibble that the Federal Circuit has already rejected. Bayer seizes upon the

Federal Circuit's disagreement with one finding by the district court, and demands that the entire case be remanded to be reweighed by the district court, even though the Federal Circuit specifically explained that the fact in question was not material to the district court's inequitable conduct judgment and affirmed without regard to the outcome on that one factual dispute. Simply put, there is no reason for this Court to second guess the detailed findings of the district court on the '565 patent that have been fully reviewed by the Federal Circuit and expressly held to support the ultimate judgment of inequitable conduct.

I. THE DISTRICT COURT CLEARLY HAD JURISDICTION TO DECIDE THAT BAYER COMMITTED INEQUITABLE CONDUCT IN OBTAINING ITS PATENTS ASSERTED AGAINST MONSANTO

Bayer does not and cannot dispute that the district court had jurisdiction to decide Monsanto's § 285 claim. Even in this Court, Bayer agrees that Monsanto had the right to pursue its claim for attorney fees under § 285 (Pet. 19), which necessarily includes the right to prove this case was "exceptional" under § 285 because each patent asserted by Bayer during the case had been procured through Bayer's inequitable conduct.

A. Inequitable Conduct Is An Accepted Basis For Awarding Attorney's Fees Under § 285 In Exceptional Cases

Bayer also does not dispute that inequitable conduct may be a sufficient predicate upon which a district court may find a case to have been "exceptional" case under § 285. Pet. 24; see *A.B. Chance Co. v. RTE Corp.*, 854 F.2d 1307, 1312 (Fed. Cir. 1988) (inequitable conduct "may constitute a basis for an award of attorneys' fees under 35 U.S.C. § 285"). While inequitable conduct is not required to find a case "exceptional" under § 285 and while an "exceptional case" finding is not required whenever inequitable conduct is shown, inequitable conduct is one well-established basis for finding an exceptional case against a patent owner, as the district court found here. See *Nilssen v. Osram Sylvania, Inc.*, 528 F.3d 1352, 1358 (Fed. Cir. 2008).

Bayer cites *Nilssen v. Osram Sylvania, Inc.*, 504 F.3d 1223 (Fed. Cir. 2007), as allegedly another instance where the Federal Circuit decided inequitable conduct issues outside of a dispute under § 285. Pet. 14. As in this case, however, there was a separate appeal in the *Nilssen* case from an attorney fees award under § 285 pending in the Federal Circuit at the time of the decision cited by Bayer. Like here, the second appeal was briefed, argued, and decided separately. See 528 F.3d 1352 (cited *supra*). Thus, Bayer's assertion that the *Nilssen* case did not involve § 285 or any claim for attorney's fees is incorrect.

Moreover, the Federal Circuit panels that resolved the inequitable conduct issues in both *Nilssen* and in this case were each aware of the second appeal in the same case from the later § 285 award based on the underlying inequitable conduct. In this case, Monsanto's Statement of Related Cases in Appeal No. 2008-1109 specifically informed the Federal Circuit, as required by Fed. Cir. R. 47.5, that Bayer had filed another appeal from the district court's exceptional case finding and resulting attorney's fee award.

Because the district court had jurisdiction to decide every issue that it decided in this case, no conclusion reached by the court here constituted an advisory opinion. Moreover, there is no basis for Bayer's assertion that the Federal Circuit's decisions in this case will somehow authorize district courts to render advisory opinions on any matter within the Federal Circuit's subject matter jurisdiction whenever the underlying case includes a request for attorney's fees. Pet. 15. Indeed, the Federal Circuit limits the grounds supporting attorney's fees under § 285 to inequitable conduct before the PTO; litigation misconduct; vexatious, unjustified, and otherwise bad faith litigation; a frivolous suit or willful infringement. See *Forest Laboratories, Inc. v. Abbott Laboratories*, 339 F.3d 1324, 1329-30 (Fed. Cir. 2003) (declining to expand the statutory term "exceptional" to encompass a patentee's bad-faith business conduct toward an accused infringer prior to litigation).

Given the restrictions on what conduct is relevant to a § 285 claim, Bayer did not and cannot

explain how findings regarding invalidity, infringement, or licensing could possibly be raised in a § 285 proceeding as a predicate to an award of attorney's fees. Pet. 15. Because inequitable conduct is settled as one basis for supporting a § 285 award, Bayer's assertion of potential future misuse or expansion of the Federal Circuit's opinions in this case is incorrect and cannot justify granting the present petition.

B. Monsanto Is Clearly A "Prevailing Party" Eligible For Attorney's Fees Under § 285

Bayer's culpable misconduct misled the PTO into granting Bayer undeserved patent protection which Bayer then asserted as its basis for seeking an injunction and hundreds of millions of dollars from Monsanto. The premise of Bayer's petition is that Bayer hopes to avoid a judgment of unenforceability on its four patents and to be excused from any liability for Monsanto's attorney's fees because Bayer dismissed its own claims and granted a covenant of non-liability once Bayer realized that it had no chance of benefiting from its orchestrated misconduct.

Arguing that "an interest in attorney fees does not create an Article III case or controversy where none otherwise exists on the underlying merits" (Pet. 14), Bayer cites decisions of this Court and other federal courts pertaining to so-called "fee-shifting" statutes under which attorney's fees can be awarded once a plaintiff is determined to be a "prevailing party." Pet. 16, 20-21; see *Buckhannon Board and*

Care Home, Inc. v. West Va. Dep't of Health and Human Services, 532 U.S. 598 (2001).[4] Bayer's reliance on such decisions interpreting those different statutes is misplaced on multiple grounds.

First, Bayer ignores that Monsanto is unquestionably the "prevailing party" in this case. As this Court explained in *Buckhannon*, the "prevailing party" term employed by Congress in such statutes is a term of art which means "[a] party in whose favor a judgment is rendered" or "a successful party." 532 U.S. at 603 (citing Black's Law Dictionary 1145 (7th ed. 1999) Having successfully prevailed on its declaratory judgment action and defended against all of Bayer's infringement counterclaims, Monsanto was indisputably the "prevailing party" in this case.

Second, to the extent that *Buckhannon* requires that a "prevailing party" have obtained some type of an enforceable court judgment on the merits, the district court's judgment in Monsanto's favor on its declaratory judgment claims asserting non-infringement, invalidity, and unenforceability of the '565 patent is more than sufficient in that regard, even if Bayer's Statement of Non-Liability resulted in the parties' respective claims on Bayer's other

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[4] Among the exemplary "prevailing party" federal fee-shifting statutes cited by this Court in *Buckhannon* are the Civil Rights Act of 1964, 78 Stat. 259, 42 U.S.C. § 2000e-5(k), the Voting Rights Act Amendments of 1975, 89 Stat. 402, 42 U.S.C. § 1973(e), and the Civil Rights Attorney's Fees Awards Act of 1976, 90 Stat. 2641, 42 U.S.C. § 1988, which is the identical list quoted by Bayer at Pet. 16.

three patents being dismissed by stipulation rather than by a court-ordered consent decree. As long as a party prevails before the court on at least some of its claims, as Monsanto did here, it is a "prevailing party" for purposes of the statute. See *Buckhannon*, 532 U.S. at 608.

Third, this case is distinguishable from the policy argument that this Court rejected in *Buckhannon* (as lacking empirical support) that a party anticipating an unfavorable result based on the events of the litigation should not be allowed to moot its own case before judgment in an effort to avoid liability for attorney's fees. See 532 U.S. at 608. That ruling cannot save Bayer here because Bayer's Statement of Non-Liability only covered three of its four asserted patents, and Bayer choose to press its infringement and damages allegations on the '565 patent through a complete jury trial on the merits, which found the asserted claims to be both invalid and not infringed.

Having not extended its post-complaint Statement of Liability to encompass all four asserted patents, Bayer's limited covenant did not moot the entire case and thus did not prevent Monsanto from becoming the "prevailing party." For that reason, Bayer is incorrect in suggesting that the Federal Circuit has created any conflict with *Buckhannon* here. As the "prevailing party" that obtained a court judgment on the merits, Monsanto was entitled to prove its "exceptional case" grounds for recovering its reasonable attorney's fees under § 285.

Similarly, there is no merit to Bayer's curious assertion that the Federal Circuit's decision may somehow "become the law across the country." Pet. 16. According to Bayer, all fee-shifting provisions should be interpreted consistently, so all other circuits will be required to adhere to the Federal Circuit's ruling. First, because there is no conflict with this Court's precedent, there is no problem if other circuits consider the Federal Circuit's decision for its persuasive effect. Second, because there is nothing improper with the Federal Circuit's award of fees to the "prevailing party," there is no circuit conflict or even error to justify granting the petition.

Moreover, this Court has already rejected Bayer's premise that all federal "fee-shifting" statutes are to be interpreted identically. In *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994), a defendant challenged a Ninth Circuit requirement that a suit under the Copyright Act had to have been brought frivolously or in bad faith before awarding attorney's fees under 17 U.S.C. § 505 to a successful defendant. Distinguishing *Christiansburg Garment Co. v. EEOC*, 434 U.S. 412 (1978), which addressed the attorney's fees provision under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5(k), this Court reversed, holding that plaintiffs and defendants should be treated alike when awarding attorney's fees under the Copyright Act, which the Court confirmed are to be awarded to prevailing parties only as a matter of the court's discretion. See 510 U.S. at 534.

In so holding, this Court in *Fogerty* distinguished the policies governing the treatment of

prevailing parties under the fee-shifting provisions of the civil rights statutes and instead drew a direct parallel to the equal treatment of prevailing parties under the nation's patent and trademark laws. First, this Court noted that the policy factors relied upon in *Christiansburg* are absent under the Copyright Act. See 510 U.S. at 523. Unlike in the civil rights context where "impecunious 'private attorney generals' can ill afford to litigate their claims against defendants with more resources" and where "Congress sought to redress this imbalance in part, and to provide incentives for the bringing of meritorious lawsuits" (*id.* at 524), no such extra incentive is needed to encourage patentees to file infringement suits or to compensate them adequately if they are successful.

Second, this Court in *Fogerty* noted that "the federal fee-shifting statutes in the patent and trademark fields, which are more closely related to that of copyright, support a party-neutral approach." 510 U.S. at 525 n.12 (citing *Eltech Systems Corp. v. PPG Industries, Inc.*, 903 F.2d 805, 911 (Fed. Cir. 1990)). Explicitly contrasting the civil rights and voting rights cases, this Court observed that "a successful defense of a copyright infringement action may further the policies of the Copyright Act every bit as much as a successful prosecution of an infringement claim by the holder of a copyright." 510 U.S. at 527. Without question, the rationale of *Fogerty* necessarily applies equally to patent cases such as the present one.

II. THE CONCLUSION THAT A PATENT IS UNENFORCEABLE FOLLOWS DIRECTLY UPON HOLDING SUCH PATENT WAS OBTAINED BY INEQUITABLE CONDUCT

Patents resulting from inequitable conduct before the PTO should not be enforced under any circumstances. Once a patent is held by a court to have been procured by inequitable conduct, it follows directly that such patent is unenforceable. See, e.g., *Liquid Dynamics Corp. v. Vaughan Co.*, 449 F.3d 1209, 1226 (Fed. Cir. 2007) (explaining that inequitable conduct, "when proven, renders that patent unenforceable"); *Aptix Corp. v. Quickturn Design Systems, Inc.*, 269 F.3d 1369, 1376 (Fed. Cir. 2001). Accordingly, the unenforceability conclusion does not require any separate inquiry or findings in addition to the inequitable conduct determination, but necessarily flows directly from such a holding. As this Court has stated, the public interest dictates that a court must find a patent unenforceable upon holding that it was procured by inequitable conduct. See *Precision Instrument*, 324 U.S. at 816; *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 251 (1944) ("To grant full protection to the public against a patent obtained by fraud, that patent must be vacated."), *overruled on other gr'ds*, *Standard Oil Co. v. United States*, 429 U.S. 17 (1976).

While Bayer argues (Pet. 14) that a court should not be able to adjudge a patent to be unenforceable "automatically" upon holding the patent was procured by inequitable conduct, no other

conclusion is either possible or permissible. Indeed, a holding that a patent was obtained by inequitable conduct is synonymous with such patent being unenforceable. Once a district court makes the requisite findings that an applicant knowingly withheld material information with a deceptive intent to mislead the PTO, and exercises its discretion when balancing those findings of materiality and intent to conclude that the resulting patent was obtained through inequitable conduct, there is no remaining discretion to refrain from holding such patent unenforceable as a matter of law. The fact that the district court reached its inequitable conduct conclusion en route to awarding attorney's fees rather than in resolving a defense to an infringement action makes no difference.

This is not an instance of a federal district court issuing an advisory opinion regarding the enforceability of patents based on findings and conclusions which the court had no jurisdiction to make. Here, the district court indisputably had jurisdiction to decide whether Bayer's patents were obtained as the direct result of Bayer's own inequitable conduct. Having so concluded based on a full and fair trial in which Bayer's excuses were fully considered and soundly rejected, the district court properly entered judgment that each patent held to have been inequitably procured was unenforceable. App. 64a.

Bayer's attempt to undo that outcome and to delay the rendering of the "unenforceability" judgment was properly rejected by the district court and the Federal Circuit. In practical effect, Bayer is

not disputing that the district court's inequitable conduct holdings were not necessary to the § 285 judgment.[5] Instead, Bayer is merely complaining that the district court should not have included an express declaration that the patents were unenforceable in its judgment after reaching that conclusion.

If Bayer were to bring a future infringement suit on any patent held to have been procured by inequitable conduct in this case, the first motion in such future case would be a successful summary judgment of unenforceability due to issue preclusion based on the findings and holding already rendered in this case. There is no basis for Bayer's premise that a judgment of unenforceability based on the adjudicated inequitable conduct in this case must await such a collateral estoppel ruling in a future case rather than be entered now by the court that made the inequitable conduct ruling. Once there is a holding of inequitable conduct, there is no need or reason to delay entry of the unenforceability conclusion, and such issue is not worthy of this Court's review.

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[5] In *Electrical Fittings Corp. v. Thomas & Betts Co.*, 307 U.S. 241 (1939), this Court allowed an appeal by a party that prevailed on non-infringement grounds to obtain reformation of a decree finding the asserted patent valid because the validity holding was immaterial to the disposition of the case. That is not true here where the inequitable conduct holdings are necessary to the attorney's fee award.

III. EVEN IF ACCEPTED, BAYER'S JURISDICTION CHALLENGE WOULD ONLY DELAY BUT NOT ALTER THE OUTCOME IN THIS CASE

The district court's exhaustive opinion (App. 65a-208a) holding that each of Bayer's four patents were procured by culpable inequitable conduct was before the Federal Circuit panel in Appeal No. 2007-1109, and the judgment on review expressly stated that all four asserted patents were unenforceable. App. 64a. Nevertheless, Bayer's appeal from that judgment challenged the merits of the inequitable conduct holding as to only one of those patents, the '565 patent. Bayer intentionally waited until its separate briefing in Appeal No. 2007-1299 to challenge the district court's inequitable conduct holdings on the other three patents, as its only substantive challenge to the $8 million attorney's fees award. As noted, Bayer's second appeal did not challenge the exceptional case finding or any aspect of the district court's discretionary decision to award attorney's fees, the only issues actually addressed by the district court's second judgment.

Given that Bayer surely knew that it would raise no other issues in Appeal No. 2007-1299, Bayer made a tactical decision to defer its challenge to the merits of the inequitable conduct rulings based on Jansens' false PTO declaration until its second appeal rather than having to include that challenge together with its multiple other appeal points in Appeal No. 2007-1109. For that reason, Bayer merely argued in Appeal No. 2007-1109 that the district court's unenforceability judgment as to those

three patents should be vacated, not that the underlying inequitable conduct determination was wrong or an abuse of discretion. Bayer's tactical decision backfired. Recognizing that Bayer chose to ask only for the unenforceability judgment to be vacated without challenging the underlying inequitable conduct findings or conclusions in the first appeal, the Federal Circuit properly held that Bayer was not entitled to a "second bite at the appeal" in its second appeal in this case. App. 3a-4a.

Bayer's present petition is the product of its own improper decision to parse its challenges to the district court's initial judgment between two separate appeals to the Federal Circuit. Like all of Bayer's other procedural ploys, this one is properly rejected. Despite Bayer's protests, this is no trap for the unwary. As the Federal Circuit explained, "[a]n issue that falls within the scope of the judgment appealed from but is not raised by the appellant in its opening brief on appeal is necessarily waived." App. 2a (quoting *Engel Indus. Inc. v. Lockformer Co.*, 166 F.3d 1379, 1383 (Fed. Cir. 1999)). Bayer nowhere suggests that any other circuit applies a different standard. Indeed, Bayer cites no cases from any court in which piecemeal appeals from a single judgment are permitted.

As a practical matter, Bayer merely seeks to achieve further delay in the ultimate appellate confirmation of the district court's inescapable conclusion that the '799, '372, and '546 patents were procured through intentional and highly culpable inequitable conduct. Indeed, a clearer instance of widespread inequitable conduct that misled the

Patent Office into granting undeserved patent protection can hardly be imagined. In short, Bayer has no substantive grounds for undoing the district court's inequitable conduct findings and conclusion on the merits.

At most, Bayer's jurisdictional argument is not about a court rendering an advisory opinion, but essentially a complaint over which Federal Circuit opinion should have affirmed the district court's inequitable conduct conclusions on the '799, '372, and '546 patents. Even if Bayer's position were to be accepted, a remand to the Federal Circuit would be a useless exercise because there could be only one possible outcome. No appellate judge could find clear error in the district court's well-supported and exhaustive findings establishing Jansens' lack of credibility, his complete disregard of the truth, the falsity of his 1991 PTO declaration, Bayer's orchestrated pattern of misconduct and deceit, and Bayer's deceptive intent to gain overbroad claims to inventions that Bayer did not invent. See *Anderson v. City of Bessemer City*, 470 U.S. 564, 575 (1985).

As this Court held in *Anderson*, "when a trial judge's finding is based on his decision to credit the testimony of one of two or more witnesses, each of whom has told a coherent and facially plausible story that is not contradicted by extrinsic evidence, that finding, if not internally inconsistent, can virtually never be clear error." *Id.* Here, the district court clearly did not find Jansens' story to be coherent, facially plausible, uncontradicted, or internally consistent, but it does not matter whether this Court or the Federal Circuit agrees. Even if a reasonable

factfinder could have credited Jansen's testimony or accepted Bayer's version of the disputed evidence, the determinative point is that the district court clearly did not. "Where there are two permissible views of the evidence, the factfinder's choice between them cannot be clearly erroneous." *Anderson*, 470 U.S. at 574.

The jurisdictional question presented here cannot change the outcome. For that reason, granting the petition or remanding to the Federal Circuit would serve no purpose other than to allow Bayer, the architect of this egregious inequitable conduct, to avoid accountability for its transgressions for even longer. Such an unnecessary remand would be an idle and useless exercise that is not worthy of this Court's involvement.

IV. THE FEDERAL CIRCUIT PROPERLY AFFIRMED THE UNENFORCEABILITY RULING ON THE '565 PATENT UPON HOLDING THAT ONE UNSUPPORTED FINDING WAS NOT MATERIAL TO THAT CONCLUSION

Bayer's final question is literally a fact-specific attack on the Federal Circuit's decision affirming the district court's inequitable conduct conclusion on the '565 patent. Pet. 27-35. Indeed, Bayer's plea for a remand is based entirely on the one fact finding by the district court that the Federal Circuit did not accept. However, Bayer ignores that the Federal Circuit specifically held that such fact was not itself material to the district court's "high materiality" finding or to the district court's conclusion of

inequitable conduct. App. 22a-25a. As a matter of law, therefore, no remand to the district court was required. See *United States v. Crescent Amusement Co.*, 323 U.S. 173, 180 (1944) (holding that there could be no reversible error even if modifications were made in challenged subsidiary findings that were not basic or essential ones).

Similarly, in *Communist Party of the United States v. Subversive Activities Control Board*, 367 U.S. 1, 67 (1961), this Court held that a remand was not required where a court of appeals strikes as not sustained by the evidence a finding on which the agency did not rely. This Court further held that "it would be an unwarranted exercise of reviewing power to remand for further proceedings [unless] there were a solid reason to believe that without the subsidiary finding the agency would not have arrived at the conclusion at which it did arrive." *Id.* That is exactly the inquiry that the Federal Circuit undertook here, and consistent with this Court's rationale in the *Crescent Amusement* and *Communist Party* cases, held that the district court's materiality finding could be affirmed without reliance on the discredited but inconsequential finding. A remand under such circumstances would have been a complete waste of judicial resources.

Contrary to Bayer's false premise, the Federal Circuit did not engage in its own fact finding (Pet. 27), but simply held that that the district court's other findings were more than sufficient to sustain that court's finding of "high materiality." App. 24a-25a. For that reason, none of the cases cited by Bayer for the proposition that appellate courts

should refrain from their own fact finding has any relevance here. Unless a disputed fact is material to the outcome, it need not be decided. That is why Fed. R. Civ. P. 56 requires the non-movant to demonstrate "a genuine issue about [a] *material* fact" and that is why all disputed facts are resolved on summary judgment against the movant. If the resolution of a disputed fact does not affect the ultimate conclusion, it is not material. As the Federal Circuit specifically held, that was the situation here.

Bayer's reliance on *Sprint/United Management Co. v. Mendelsohn*, 128 S. Ct. 1140 (2008), remains misplaced. Pet. 29-30. Bayer submitted that decision to the Federal Circuit while Bayer's petition for rehearing was pending, and the Federal Circuit properly saw no need to address it. In *Sprint*, this Court remanded to allow a district court to decide whether testimony of "similarly situated" employees was relevant under Fed. R. Evid. 403 to a wrongful termination claim. This has no bearing on whether the Federal Circuit correctly affirmed the district court's finding that the undisclosed Mariani notes were "highly material" under Rule 56 despite accepting Bayer's assertion that Barnes' Bt toxin was not identical to the Bt toxin claimed in the '565 patent. App. 24a-28a.

In *Sprint*, the discretionary issue was whether the district court should have admitted the excluded evidence in the first instance. Here, the discretionary decision by the district court was whether to hold Bayer committed inequitable conduct in light of the court's findings that the

omitted information was highly material and had been withheld with the intent to mislead the PTO. Because the Federal Circuit affirmed the "highly material" finding independently of the single discredited finding, the district court's discretionary weighing of the materiality and intent findings was wholly unaffected. Moreover, as the Federal Circuit noted, Bayer did not even challenge the district court's discretionary determination of inequitable conduct. App. 31a. Thus, even if *Sprint* were relevant to a discretionary determination of inequitable conduct (which it is not), Bayer waived any such challenge here, leaving no need for any remand.

Nevertheless, Bayer insists that "the Federal Circuit found a new basis for materiality following an approach that was never previously argued by any party or considered by the district court." Pet. 27-28. Similarly, Bayer argues that "[t]he new evidence analyzed by the Federal Circuit cannot be found in any arguments submitted by the parties or in the district court opinion." Pet. 31. Both assertions are false and disproved by the record. The evidentiary and legal bases on which the Federal Circuit relied in affirming the "highly material" finding—*i.e.*, that the arguments that Bayer made to the PTO about the Barnes prior art were known to be false, were directly contradicted by the undisclosed Mariani notes, and refuted or were inconsistent with Bayer's arguments for patentability—were both specifically argued by

Monsanto[6] and expressly ruled upon by the district court. See App. 102a-103a; 191a; 207a.

Simply put, the Federal Circuit expressly rejected Bayer's assertion that the district court's single discredited finding was the "sole basis" for the finding of high materiality (App. 24a) and the Federal Circuit expressly held that one finding was immaterial to the outcome and affirmed the district court's "highly material" finding on the basis of its many other findings. App. 24a-28a. Because there is no error of any sort, there is no need for any remand or to grant the petition on this issue.

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6 Monsanto's Inequitable Conduct Trial Brief (filed Feb. 1, 2006) specifically argued that "[a]s the information [in Mariani's notes] refutes, or is inconsistent with Bayer's arguments of patentability, it is prima facie material." Likewise, Monsanto's post-trial brief (filed Mar. 17, 2006) argued identically that "[a]s this information refutes, or is inconsistent with Bayer's arguments of patentability, it is again highly material." As shown, the district court found exactly that (App. 102a-103a) and the Federal Circuit expressly recognized and quoted those findings as being the basis for the district court's "highly material" finding. App. 19a. It is inexplicable how Bayer could argue to the contrary to this Court.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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